

ORDER NO. 4166

UNITED STATES OF AMERICA  
POSTAL REGULATORY COMMISSION  
WASHINGTON, DC 20268-0001

Before Commissioners:

Robert G. Taub, Chairman;  
Mark Acton, Vice Chairman;  
Tony Hammond; and  
Nanci E. Langley

Competitive Product Prices  
Priority Mail International Regional Rate Boxes  
Contracts 1 (MC2015-31)  
Negotiated Service Agreements

Docket No. CP2016-187

ORDER APPROVING MODIFICATION FIVE TO  
PRIORITY MAIL INTERNATIONAL REGIONAL RATE BOXES CONTRACTS 1  
NEGOTIATED SERVICE AGREEMENT AND DENYING AS MOOT MOTION FOR  
TEMPORARY RELIEF

(Issued October 18, 2017)

I. INTRODUCTION

The Postal Service seeks to modify Priority Mail International Regional Rate Boxes Contracts 1 negotiated service agreement.<sup>1</sup> For the reasons discussed below, the Commission approves the Modification.

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<sup>1</sup> Motion of the United States Postal Service for Temporary Relief and Notice of the United States Postal Service of Filing Modification Five to Priority Mail International Regional Rate Boxes Contracts 1 Negotiated Service Agreement, October 17, 2017 (Motion). The modification is an attachment to the Motion (Modification).

In Order No. 3362, the Commission approved the Priority Mail International Regional Rate Boxes Contracts 1 negotiated service agreement (Existing Agreement).<sup>2</sup> On October 17, 2017, the Postal Service filed notice that it has agreed to the Modification to the Existing Agreement.

## II. COMMISSION ANALYSIS

The Commission has reviewed the Notice and the accompanying materials filed under seal.

*Cost considerations.* The Commission reviews competitive product prices to ensure that each product covers its attributable costs, does not cause market dominant products to subsidize competitive products, and contributes to the Postal Service's institutional costs. 39 U.S.C. § 3633(a); 39 C.F.R. §§ 3015.5 and 3015.7. As long as the revenue generated by the product exceeds its attributable costs, the product is unlikely to reduce the contribution of competitive products as a whole or to adversely affect the ability of competitive products as a whole to contribute an appropriate share of institutional costs. In other words, if a product covers its attributable costs, it is likely to comply with 39 U.S.C. § 3633(a).

The Existing Agreement is set to expire October 31, 2017. Order No. 4123 at 2. The Modification revises the expiration date to November 30, 2017. Motion at 1.

The Modification does not materially affect the underlying financial analysis of the Existing Agreement. Thus, the Commission finds that the Existing Agreement, as

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<sup>2</sup> See Order Approving Priority Mail International Regional Rate Boxes Contract 1 Negotiated Service Agreement, June 8, 2016 (Order No. 3362). The contract was later modified. See Order No. 3984, Order Approving Modification One to Priority Mail International Regional Rate Boxes Contracts 1 and Denying as Moot Motion for Temporary Relief, June 28, 2017 Order No. 4014, Order Approving Modification Two to Priority Mail International Regional Rate Boxes Contracts 1 and Denying as Moot Motion for Temporary Relief, July 25, 2017; Order No. 4074, Order Approving Modification Three to Priority Mail International Regional Rate Boxes (PMI RRB) Contracts 1 Negotiated Service Agreement and Denying as Moot Motion for Temporary Relief, August 28, 2017; Order Approving Modification Four to Priority Mail International Regional Rate Boxes Contracts 1 Negotiated Service Agreement and Denying as Moot Motion for Temporary Relief, September 25, 2017 (Order No. 4123).

modified, comports with the provisions applicable to rates for competitive products in 39 U.S.C. § 3633(a) and 39 C.F.R. § 3015.7.

*Other considerations.* The Existing Agreement, as modified, is set to expire November 30, 2017. Motion at 1. If the Existing Agreement, as modified, is terminated prior to the scheduled expiration date, the Postal Service shall promptly notify the Commission.

In conclusion, the Commission approves the Existing Agreement, as modified. Accordingly, the Motion for Temporary Relief is denied as moot.

### III. ORDERING PARAGRAPHS

*It is ordered:*

1. The Commission approves the Priority Mail International Regional Rate Boxes Contracts 1 negotiated service agreement, as modified.
2. The Postal Service shall notify the Commission if the Existing Agreement, as modified, terminates prior to the revised expiration date, November 30, 2017.
3. The Postal Service's Motion for Temporary Relief is denied as moot.

By the Commission.

Stacy L. Ruble  
Secretary